



PSC NEWS

Missouri Public Service Commission

Contact: Kevin Kelly

Phone: (573) 751-9300

Governor Office Building, Suite 600

FY-07-288

FOR IMMEDIATE RELEASE

JUNE 25, 2007

NATURAL GAS RATES TO CHANGE FOR SOUTHERN MISSOURI GAS COMPANY CUSTOMERS

JEFFERSON CITY—To reflect estimated changes in the wholesale cost of natural gas for the summer season, Southern Missouri Gas Company, L.P. customers will see natural gas bills increase under a filing which will take effect on July 1, 2007.

A residential customer currently pays approximately \$0.95 per Ccf (per 100 cubic feet of gas). Under this filing, the rate will increase to approximately \$1.05 per Ccf, an increase of approximately \$0.10 per Ccf.

Approximately 65% to 75% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. The wholesale cost of natural gas (the cost your local natural gas company must pay to its suppliers for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply, demand and the weather. The Missouri Public Service Commission does conduct an annual regulatory review to ensure that regulated natural gas companies make prudent decisions in securing natural gas supplies for their customers.

Southern Missouri Gas Company serves approximately 7,400 natural gas customers in the Missouri counties of Wright, Texas, Webster, Howell and Douglas.